



# CITY OF LODI

## COUNCIL COMMUNICATION

AGENDA TITLE: Authorize Hiring Consultant to Prepare Disadvantaged Business Enterprise (DBE) Program

MEETING DATE: August 29, 2000

PREPARED BY: Public Works Director

**RECOMMENDED ACTION:** That the City Council authorize staff to hire the consulting services of Padilla & Associates, Inc. through the "unusual and compelling urgency" provisions of the Federal Acquisitions regulations to immediately develop the City of Lodi's comprehensive Federal Disadvantaged Business Enterprise (DBE) Program and Overall Annual Goal for Federal Fiscal Year 2000/01.

**BACKGROUND INFORMATION:** The U.S. Department of Transportation (DOT) published a significant New Rule (49CFR, Part 26) revising the Federal DBE Program to ensure fair competition for all DOT contracts. The new regulations are intended to ensure a level playing field on which minority, women and other disadvantaged small businesses can compete for federally-assisted highway, transit and airport contracts. These regulations require the City of Lodi to submit a DBE program and Overall Annual Goal that meets the new regulations as a condition of using FHWA and FTA.

Caltrans, who oversees federal projects, has given training sessions to help agencies develop the DBE Program. Caltrans indicated that agencies should use their Program as a model, thereby making it easier for Caltrans to check. The Caltrans Program was just recently approved and additional training sessions were held. The new Program requires that an overall goal be established and each project which uses federal funds must have its own specific goal. There are formulas within the Program that are complicated and time consuming to prepare.

At the last training session, a number of San Joaquin County agencies discussed the possibility of jointly hiring Padilla & Associates because of the tight time line. Padilla & Associates has prepared programs for agencies all over the state. The consultant is very knowledgeable and presents the preparation process to local agencies at Caltrans training sessions.

Since the market area for San Joaquin County draws from the same pool of DBE contractors, the list that must be maintained and other requirements of the new program would be the same for the agencies in the County. The Cities of Ripon, Escalon, and Manteca are also going to their Councils for authorization to hire the consultant. The consultant estimated \$25,000 to prepare the DBE Program for four or five cities. There may be more agencies that will also participate. The cost will be between \$5,000 and \$6,250 per agency depending on the number of agencies participating.

If the DBE Program is not approved by DOT, there would be a delay in awarding contracts and receiving federal funds.

Because of the amount of time it would take our staff to develop a program and we want to receive funding on several projects, it is recommended that Council authorize participating with the other County agencies in hiring the consultant to prepare our DBE program.

**FUNDING:** Budgeted Fund: Engineering Operating Budget (Professional Services)  
Contract Amount: \$5,000 - \$6,250  
Funding Available: *Encl. to Finance*  
Vicky McAthie, Finance Director

*Richard C. Prima, Jr.*  
Richard C. Prima, Jr.  
Public Works Director

Prepared by Sharon Blaufus, Management Analyst  
RCP/SB/lm

APPROVED: \_\_\_\_\_

*H. Dixon Flynn*  
H. Dixon Flynn -- City Manager

DBEConsultant

08/22/00